

JANUARY 15, 2021 REVENUE ESTIMATING CONFERENCE

A revenue estimating conference was held on January 15, 2021 to update revenue projections for fiscal year (FY) 2021, FY 2022, and to make initial projections for FY 2023. FY 2021 revenue projections for both the general fund and the state school aid fund were revised at the conference. The general fund projection was revised upward by \$700.8 million and the school aid fund projection was revised upward by \$528.3 million. For detailed information on the January revenue estimating conference, go to the [House of Representative Fiscal Agency website](#) or [Senate Fiscal Agency website](#).

GOVERNOR'S FY 2022 STATE BUDGET

While no one can say for certain at this time what the revenue consensus from the above referenced conference may mean for future state school aid budgets, one indication will come when the Governor unveils her proposed budget for FY 2022. Of course, the budget cycle will then run its full course through the legislative process before enactment in appropriation bills. Also, the Governor's State of the State address is scheduled for January 27, 2021 which can always include education news.

JANUARY PAYMENT INFORMATION

The January state school aid payment is the fourth regular payment of the 2021 fiscal year. The payment will be electronically transferred to the districts' accounts on Wednesday, January 20, 2021.

Taxable value - The January payment continues to use the beginning 2020 tax roll non-homestead taxable value data, as provided by the county treasurers via the web based taxable valuation collection process. These data can be viewed by school district personnel on the [Department's Taxable Value Management System](#) website.

MICHIGAN PUBLIC SCHOOL ACCOUNTING CHANGE NOTICE #31

[Change Notice #31](#) updating the *Michigan Public School Accounting Manual* was distributed on December 17, 2020. Unless otherwise required, the changes listed in the notice are to be implemented for the 2021-22 fiscal year. These changes have been incorporated into the manual, which is available on the [Department's website](#). Questions related to the change notice or public school accounting should be directed to Christopher May at 517-335-1263 or by e-mail at MayC@Michigan.gov.

CORONAVIRUS RELIEF FUND (CRF) EXTENSION

The latest [federal stimulus package](#) signed into law on December 27, 2020 includes the following text related to Coronavirus Relief Funds (CRF):

TITLE X--MISCELLANEOUS

SEC. 1001. CORONAVIRUS RELIEF FUND EXTENSION.

Section 601(d)(3) of the Social Security Act (42 U.S.C. 801(d)(3)) is amended by striking ``December 30, 2020'' and inserting ``December 31, 2021''.

As a result, districts may continue to incur expenditures of CRF funds (\$12.62 per-pupil District COVID Costs & \$350 per-pupil School Aid CRF) received in July and August 2020 State Aid through the amended deadline of December 31, 2021.

CRF resources on [our website](#) will be updated with this information soon. Please note that this extension was the only change made pertaining to CRF, and no further revisions have been

made to Treasury guidance. [MDE guidance communicated on November 20, 2020](#) regarding expenditure allowability, reporting, and documentation recommendations remains current.

SUPPLEMENTAL COUNT DAY

The second count date of the school year, February 10, 2021, is quickly approaching. As a courtesy to the field, the Department would like to remind all districts that schools must be open and scheduled for regular instruction on each count day prescribed in legislation. Only a district that is not in session on that day due to conditions not within the control of school authorities will be allowed to use the immediately following day on which the district is in session for count purposes, and only if the district requested and received written approval from the Department for the alternate count date. If your district was closed on count day due to unforeseen conditions, please use the following form to request an alternate count date: <https://fs10.formsite.com/SASF/form8/index.html>.

SECTION 101 – SCHOOL DAY CANCELLATIONS AND FORGIVEN TIME

Section 101 of the State School Aid Act (MCL 388.1701) remains the same as in past years with regard to the cancellation of instructional time. The language continues to grant districts six (6) days and/or the equivalent number of hours to use toward cancellations that occur due to conditions beyond the control of school authorities, commonly referred to as “forgiven time” or “snow days.” Language remains that grants the State Superintendent the authority to grant up to three (3) additional days or equivalent hours cancelled as instruction, provided the cancellation is due to unusual and extenuating circumstances resulting from conditions not within the control of school authorities. Districts must provide strong rationale supporting why these days cannot be rescheduled before the end of the school year. Given the additional flexibility provided through the Return to Learn law under Section 101(13) for the 2020-21 school year, we do not foresee a need for districts to use forgiven time during the 2020-21 school year as long as the instructional content remains unaffected by a cancellation. If you do believe that additional forgiven time is required, applications for additional forgiven time will only be accepted through the [online form](#) beginning February 1. Questions regarding this item should be directed to Jessica Beagle at BeagleJ1@Michigan.gov.

COUNTING QUALIFYING PROFESSIONAL DEVELOPMENT TOWARD REQUIREMENTS

Section 101(1) of the State School Aid Act (MCL 388.1701(10)) allows districts to count up to 38 hours of qualifying professional development time for teachers as hours of pupil instruction if all of the following requirements are satisfied:

- A district-wide professional development advisory committee appointed by the district board recommends at least 8 hours of the professional development. The advisory committee must be composed of teachers employed by the district who represent a variety of grades and subject matter specializations, including special education; nonteaching staff; parents; and administrators. The majority membership of the committee shall be composed of teaching staff.
- If the professional development is provided online, the district must have approved the instruction.
- The professional development hours are used to offset instructional time for pupils whose teachers participated in the professional development.
- For professional development to be considered qualifying professional development under this subsection, the professional development must meet all of the following:
 - The professional development is aligned to the school or district improvement plan for the school or district in which the professional development is being provided.
 - The professional development is linked to 1 or more criteria in the evaluation tool developed or adopted by the district or intermediate district under Section 1249 of the Revised School Code, MCL 380.1249.
 - The department has approved the professional development and confirmed it may be counted for state continuing education clock hours. The number of hours of professional development counted as hours of pupil instruction may

not exceed the number of state continuing education clock hours for which the qualifying professional development was approved.

- Not more than a combined total of 10 hours of the professional development takes place before the first scheduled day and last scheduled day of school for that school year.
- No more than 10 hours of qualifying professional development takes place in a single month.
- At least 75% of teachers scheduled to participate in the professional development are in attendance.

If the district meets the above requirements, and if the qualifying professional development exceeds 5 hours in a single day, that day may be counted as a day of pupil instruction.

Questions related to pupil counts and instructional time should be directed to Jessica Beagle at BeagleJ1@Michigan.gov.

IMPORTANT DATES TO REMEMBER

- **February 1** is the due date for districts and ISDs to report to the local health department the **immunization status** of each new pupil in grades K-12 who enrolled in the district or ISD for the first time during the immediately preceding calendar year and all 6th graders, pursuant to State School Aid Act Section 167. (Helpdesk – 888-243-6652)
- **February 10** is the **supplemental count day** for all districts, ISDs, and PSAs and the 3rd quarterly count date for adult education participants.

GENERAL INFORMATION

- The proration factor for the Section 31a - At Risk funds is 78.59193269%.
- The Headlee Obligation for Data Collection funds are being paid at \$25.9976504727 per pupil.
- 22d(4) funds are being paid at \$52.33 per pupil for districts with fewer than 8 pupils per square mile, \$39.25 per pupil for districts with at least 8 but fewer than 9 pupils per square mile, and \$26.16 per pupil for district with at least 9, but fewer than 10 pupils per square mile.

*Do you have questions about the information appearing in this UPDATE? Call the consultants identified above or **Phil Boone, State Aid and School Finance, MDE**, cell phone: **517-899-0796**, fax: **517-241-0196**, email: BooneP2@Michigan.gov